

ABSOLUTE NNN INVESTMENT OPPORTUNITY

CoreCivic (NYSE: CXW) | 12-Year Term | Nashville, TN | 38,000 SF



INVESTMENT INTRODUCTION

OFFERING SUMMARY

The Offering

JLL is pleased to offer for sale 660 Melrose Avenue located in Nashville, Tennessee (the “Property”). The Property was built-to-suit in 1998 for TransCor America (“the Tenant” or “TransCor”), a wholly owned subsidiary of CoreCivic, Inc. (the “Guarantor” or “Company”), the industry-leading provider of detention and correctional services in the United States. TransCor sits within CoreCivic’s most important business segment and provides prisoner transportation services to all levels of government. The Property is utilized as TransCor’s headquarters and central field office, enabling support, communication, and coordination with other field offices as well as federal, state, and local government authorities. Located only 7-miles north of CoreCivic’s corporate headquarters in Brentwood, Tennessee, 660 Melrose Avenue is a highly connected, strategically located, and operationally critical facility.

Situated in Nashville's emerging Berry Hill neighborhood, the Property benefits from convenient access to three major interstates, Nashville’s International Airport, and the CBD which has drawn significant development activity to the Property’s surrounding area. Due to this robust connectivity, the Airport South office submarket has performed exceptionally since 2014, generating a 7.3% rent CAGR compared with 5.2% in the greater Nashville market.

Interested investors have the unique opportunity to capitalize on an attractive combination of long-term absolute NNN lease structure, industry-leading tenancy, and enhanced residual value appreciation due to the Property’s premier location.

Investment Summary

Address	660 Melrose Ave, Nashville, TN
Building Size	38,143 SF (74% office / 26% warehouse)
Site Area	4.7 Acres
Zoning	IWD (Industrial Warehousing/Distribution)
Year Built	1998
Tenant	CoreCivic of Tennessee, LLC (dba TransCor America)
Guarantor	CoreCivic, Inc. (NYSE: CXW; Moody’s: Ba2)
Lease Structure	Absolute NNN
Lease Expiration	5/31/2033
Remaining Term ¹	12 Years
Current NOI (PSF) ^{1/2}	\$566,791 (\$14.86)
Annual Escalations ²	Based on CPI for Urban Consumers (1.0% < > 3.0%)
Renewal Options ²	4 x 5-years with rent escalating based on changes to CPI



1) As of June 1, 2021

2) Annual escalations effective each May and based on March’s CPI.

INVESTMENT HIGHLIGHTS

Industry Leading Tenancy

TransCor was established in 1990 and acquired by CoreCivic four years later to expand the capabilities of its Safety business segment. Today, TransCor is one of the leading prisoner and detainee transportation companies in the United States with clients including the US Marshals Service, Bureau of Prisons, ICE, and numerous state corrections departments.

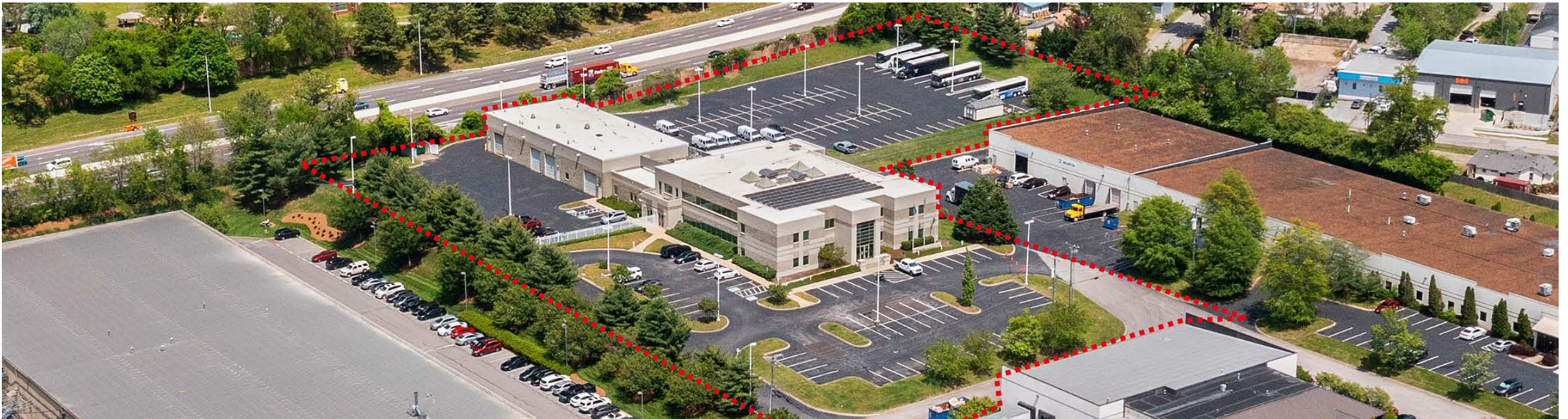
TransCor America
(website link: [TransCor.com](https://www.transcor.com))

2 MILLION
passenger transports

2 THOUSAND
agency partner solutions

40 MILLION
miles of secure transportation

- CoreCivic has been in business since 1983 and is the largest private owner of real estate utilized by government agencies, managing nearly **18 million square feet of government-used real estate** as of year-end 2020.
- This massive footprint includes 70,000 correctional/detention beds, 5,200 community correction beds, and 2.7M SF of real estate generating high surety cash flow from government entities.
- An extraordinary **99% of EBITDA, which averaged \$425M over the past 5-years, stems from partners rated AA- or better**
- The Company boasts a 95% retention rate in long-dated contracts, with an average 10-year tenure for its Top 10 customers.



Critical and Customized Facility Suited for Tenant's Operations

- **Built-to-suit** for TransCor to serve as their **corporate headquarters** and was designed to meet their specific business needs.
- The Property is also home to TransCor's **Special Operations team** consisting of logistics experts, transportation professionals, business executives, administrative staff, and other roles not employed at other field offices.
- The site was selected based on **easy access to I-440** and its location only **7-miles north of CoreCivic's corporate headquarters** in Brentwood, Tennessee.
- **\$825,000 in capital improvements** completed over the past two years, including a **brand new roof** installed in April 2021, which is subject to a **20-year warranty**.
- **Warehouse space, truck bays, and 1+ acre yard space are critical** for TransCor's need to service and store its fleet of vans.
- Fenced-in rear offers enhanced security.
- **Solar panels** and inverters for electrical generation mounted on the roof.
- On-site diesel-powered generators provide **back-up electrical power** for emergency, life safety, and data center systems within the building.



INVESTMENT HIGHLIGHTS

Optimal Absolute Triple Net Lease Structure

- 100% absolute triple net leased to TransCor America and guaranteed by CoreCivic for 12-years of remaining term, expiring May 2033
- Four, five-year renewal options with annual escalations based on changes to CPI, subject to a 1% minimum and 3% maximum
- No ownership responsibilities: Tenant will be responsible for all expenses, real estate taxes, maintenance, and repair or replacement of capital items



INVESTMENT HIGHLIGHTS

Highly Connected MSA with Strong Growth Fundamentals

The Nashville metro boasts a highly educated workforce, economic diversification, a low cost of business, and unique cultural diversity. The Nashville MSA is the largest metro area in a five-state region, with a population over 1.9 million. As home to 13 Fortune 1000 companies including seven Fortune 500 headquarters, Nashville has been ranked within the Top 10 large metros for job and population growth for the past six years.

- **The Property is in a dense pocket of Nashville, within a 5-mile radius:**

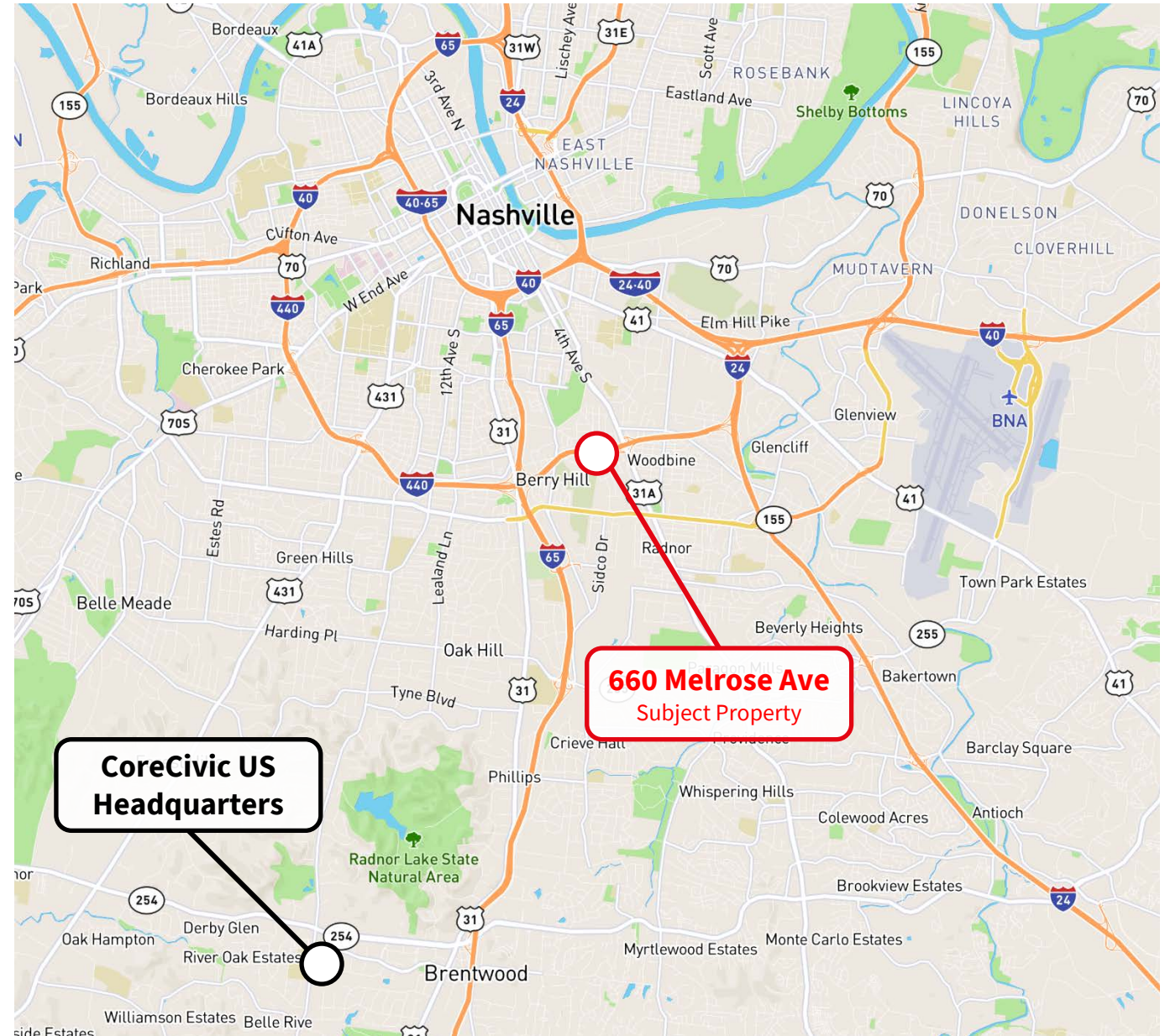
- 240,000 population
- 1.5% annual population growth expected through 2025
- Average \$95,700 household income
- 16,000+ businesses

- **Direct Access to Major Infrastructure**

- Highly visible Property adjacent to I-440, Nashville's main arterial
- Convenient access to major cross-country highways I-65 (North / South), I-40 (East / West) and I-24 (Tennessee)
- Nashville International Airport located only four miles to the east and is undergoing a \$1.2B expansion due for completion in 2023

- **Top Southeast Economic Hub**

- #1 Metro for Economic Strength in 2020 (Policom Corp)
- #1 Largest Net Gain of U-Haul Trucks Crossing its Borders in 2020
- #2 Hottest Job Market in the US in 2020 (Wall Street Journal)
- #3 Best State for Business in 2021 (Apr-2021, Chief Executive)



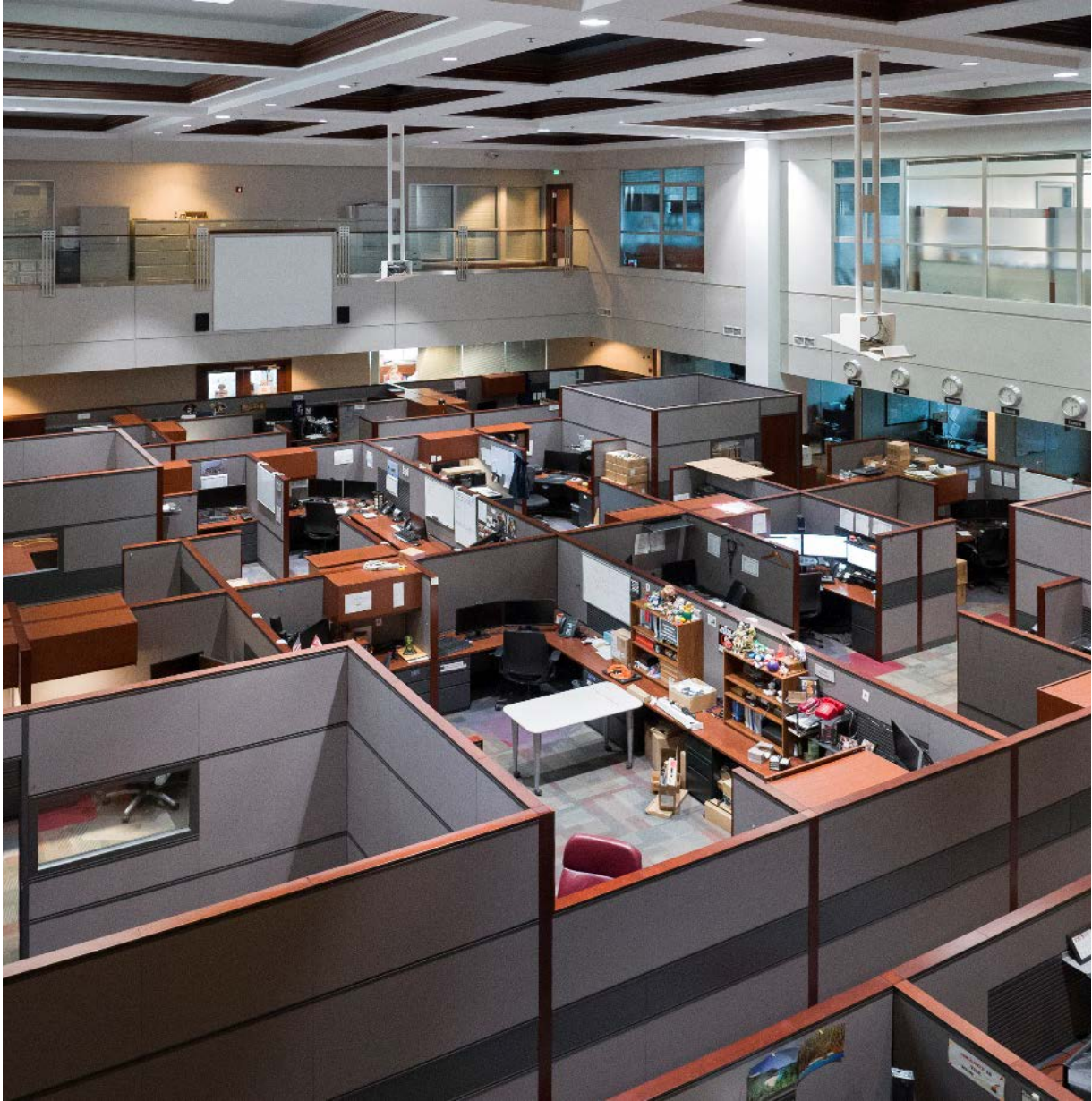
INVESTMENT HIGHLIGHTS

The Berry Hill neighborhood is a hotbed of mixed uses with increasing interest and development activity from top institutional players

1. **Four-Forty Business Center** is owned by **Duke Realty** and immediately adjacent to the Property. The center boasts low vacancy and a diverse tenant mix.
2. **CitiView Office Park** is a **three-building Class A office campus totaling 100,000 square feet** with the third building scheduled for delivery in early 2022. The campus is 100% pre-leased by Advent Designs.
3. **2811 Azalea Place** is scheduled for delivery in May 2021 and will yield a **state-of-the-art, soundproof creative production facility** suitable for a record label, publishing company, or entertainment firm.
4. **708 Berry Road** is being redeveloped into a five-building residential complex offering 314 apartments.
5. **Cargill** acquired this site in 2016 due to its strategic importance as one of its three cooked meats facilities in the US. In late 2017, Cargill emphasized its commitment to the area by **investing \$146 million to expand and construct a new state-of-the-art production facility**, doubling employment as a result.
6. **Amazon** purchased 2960 Armory Drive in December 2019 and is currently developing a **new 250,000 square foot last-mile delivery hub**. This project is expected to deliver in October 2021 and will bring Amazon's Greater Nashville distribution footprint to over 6.7 million square feet.
7. **3040 Sidco Dr** is a former warehouse purchased by Forstone Capital in 2020 with the plan to expand and transform the building into a **170K square foot Class A office building**. Delivery is scheduled for June 2021.
8. **One Hundred Oaks Mall**, owned by global investor LaSalle Investment Management, has operated for over 50-years and contains nearly 900,000 SF of GLA. The center is a remarkable turnaround story with prior ownership converting the mall from traditional 100% retail-focused into a **thriving commercial center featuring Vanderbilt Medical Center**, who consolidated 20 surrounding clinics into its 450,000 SF space.



INVESTMENT HIGHLIGHTS



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